

## Message Text

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46

ACTION AF-06

INFO OCT-01 ARA-06 ISO-00 AID-05 IO-10 CIAE-00 COME-00

EB-07 FRB-03 INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02

OPIC-03 SP-02 CIEP-01 LAB-04 SIL-01 OMB-01 IGA-01

NSC-05 SS-15 STR-04 CEA-01 L-02 H-02 AGR-05 DODE-00

PA-01 PRS-01 /102 W

----- 059540

R 161438Z MAY 75

FM AMEMBASSY LAGOS

TO SECSTATE WASHDC 9310

INFO AMEMBASSY BRIDGETOWN

AMEMBASSY NASSAU

AMEMBASSY GEORGETOWN

LIMITED OFFICIAL USE LAGOS 4554

E.O.: 11652: N/A

TAGS: EAID, NI, XA

SUBJ: NIGERIAN AID TO THIRD COUNTRIES

REF: BRIDGETOWN 0772

1. AT AIRPORT NEWS CONFERENCE FOLLOWING HIS RETURN FROM  
CARIBBEAN, GENERAL GOWON ANNOUNCED THAT HENCEFORTH ALL FMG  
MONETARY AID TO OTHER COUNTRIES WILL BE CHANNELED THROUGH  
DEVELOPMENT BANKS RATHER THAN GIVEN BILATERALLY. HE REPORTEDLY  
SAID NIGERIA INTENDS TO GIVE FINANCIAL ASSISTANCE TO CARIBBEAN  
COUNTRIES AND THAT IT WOULD BE GIVEN THROUGH CARIBBEAN DEVELOP-  
MENT BANK. (E.C. \$2.5 MILLION LOAN FOR DEVELOPMENT PURPOSES  
(REF) WOULD BE FIRST EXAMPLE NEW POLICY ALTHOUGH E.C. \$2 MILLION FOR  
GRENADE PAYROLL WAS APPARENTLY OUTRIGHT GIFT). GOWON QUOTED AS  
SAYING NIGERIA ALREADY HAD EMBARKED ON SCHEMES SIMILAR TO THIS  
THROUGH LOANS TO AFDB FOR ASSISTANCE TO OTHER AFRICAN COUNTRIES.  
AT CONCLUSION OF RECENT AFDB ANNUAL MEETING, FMG ANNOUNCED  
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DECISION TO PURCHASE \$5 MILLION AFDB BONDS OUT OF \$20 MILLION

NEW ISSUE.

2. ACCORDING NEW NIGERIAN, GOWN SAID NIGERIA WOULD CHANNEL AID THROUGH DEVELOPMENT BANKS TO AVOID ANY ACCUSATION SHE WAS TRYING TO BUY SOME COUNTRIES OR DESTROY OTHERS. ACCORDING DAILY TIMES, GOWON EXPRESSED BELIEF THAT DEVELOPMENT BANKS IN BETTER POSITION TO INSURE ALL SUCH MONIES USED FOR PURPOSES GIVEN. HE ADDED THAT NEW ARRANGEMENT WOULD ALSO "ERASE VICIOUS NIGERIAN STUDENTS' ALLEGATIONS THAT HE WAS GIVING MONEY TO CERTAIN AFRICAN COUNTRIES, TO SILENCE THEM BECAUSE OF HIS ENORMOUS PERSONAL INVESTMENTS IN THRIR COUNTRIES."

3. COMMENT: ON BASIS PREVIOUS COMMENTS BY MEA OFFICIALS, IT APPEARS LIKELY THAT PRIMARY MOTIVATION FOR USE OF DEVELOPMENT BANKS IS FEAR THAT BILATERAL LOANS MIGHT NOT BE REPAYED. FMG WOULD BE LOATHE TO DUN PUBLICLY LDC BRETHERN UNABLE TO PAY, AND WOULD FIND WRITING OFF DEBTS NEARLY AS UNATTRACTIVE. THUS, IN FMG VIEW, DEVELOPMENT BANKS IDEAL CHANNEL OF AID IN THAT CREDIT FOR ASSISTANCE NOT DIMINISHED WHILE LOAN SECURITY GREATLY ENHANCED.

CROSBY

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## Message Attributes

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**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
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**TAGS:** EAID, NI, XA, (GOWON, YAKUBU)  
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**Type:** TE  
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